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Signed and Filed: April 21, 2009

DENNIS MONTALI
U.S. Bankruptcy Judge

Reorganization Attorneys for Debtor

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re
PACIFIC EDUCATION FOUNDATION, a
California non-profit public benefit corporation,

Debtor.

Case No. 08-30199 DM

Chapter 11

**ORDER APPROVING COMPROMISE
WITH 3D INVESTMENTS LLC PURSUANT
TO BANKRUPTCY RULE 9019**

Fed Tax. ID No.: 94-2398206

This Court having reviewed the Motion for Order Approving Compromise with 3D Investments LLC Pursuant to Rule 9019 of Federal Rules of Bankruptcy Procedure (the "Motion"), filed by Pacific Education Foundation, debtor and debtor in possession herein (the "Debtor"), the written Settlement Agreement ("Settlement Agreement") between the Debtor and 3D Investments LLC ("3D"), and the written escrow agreement among the Debtor, 3D, and Wells Fargo Bank, National Association ("Escrow Agreement" and, collectively with the Settlement Agreement, the "3D Agreements"), each of which was filed with the Court on April 17, 2009, and the other pleadings and papers on file in this case; having determined that adequate notice has been given under the circumstances, and that the Debtor's entry into the 3D Agreements is in the best interests of the Debtor's estate and creditors; and good cause appearing therefor,

It is hereby ORDERED as follows:

- 1 1. The Motion is in all respects GRANTED.
- 2 2. The Debtor is authorized and directed to enter into, and to perform any and all
- 3 obligations contemplated by, the 3D Agreements promptly upon entry of this Order and on any and
- 4 all applicable dates and times thereafter as contemplated by the 3D Agreements.
- 5 3. Heald Capital, LLC ("Maker"), Heald Education, LLC, and Heald College, LLC
- 6 (collectively, the "New Heald Entities"), are not parties to the 3D Agreements and, as such, are
- 7 bound by the terms of the 3D Agreements only to the extent set forth in this Order.
- 8 4. Maker shall tender all payments in connection with Note A (as such term is defined in
- 9 the Settlement Agreement) as required by the 3D Agreements.
- 10 5. The terms of the 3D Agreements shall not be deemed to violate any provision of Note
- 11 A, including, without limitation, Section 9 thereof, and shall not be deemed to give rise to any
- 12 defense in favor of any of the New Heald Entities under Note A, including, without limitation,
- 13 Section 9 thereof.
- 14 6. The terms of the 3D Agreements shall not be deemed to violate any provision of that
- 15 certain Settlement Agreement dated December 31, 2008 (the "New Heald Settlement"), between the
- 16 New Heald Entities and the Debtor, and shall not be deemed to give rise to any defense in favor of
- 17 the New Heald Entities under the New Heald Settlement.
- 18 7. This Order shall be effective immediately and shall not be stayed pursuant to FRBP
- 19 6004(h), so that the Debtor shall make the initial \$750,000 distribution to 3D by wire transfer not
- 20 more than two (2) business days after the entry of this Order.

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2 8. This Court retains jurisdiction with respect to all matters arising from or related to the
3 implementation of this Order or the provisions of the 3D Agreements.

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5 Approved as to form and content:

6 /s/Ron Oliner
7 Ron Oliner
8 Duane Morris LLP
9 Counsel for Heald Education LLC and affiliates

10 /s/Jeffrey C. Krause
11 Jeffery C. Krause
12 Stutman Treister & Glatt, PC
13 Counsel for 3D Investments LLC

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*** END OF ORDER ***

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Court Service List

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